

COUNTY OF YORK

MEMORANDUM

DATE: December 6, 1999 (BOS Mtg. 12/15/99)

TO: York County Board of Supervisors

FROM: Daniel M. Stuck, County Administrator *DMS*

SUBJECT: Roadside Waste Collection Contract

The present roadside waste collection contract expires on February 29, 2000. This contract commenced on March 1, 1993, for a five-year period and was subsequently extended for two additional years by mutual agreement between the County and Browning-Ferris Industries. During the period of the contract the County's citizens have expressed a high degree of satisfaction with the contractor's performance, and staff feels that BFI has been exceptional in providing customer service.

RFP No. 1058 was issued on October 5, 1999, to basically continue the same service level provided under the present contract. Proposers were to submit comments reflecting the maintenance of the present level of customer service given the expected continued population growth in the County. The contract termination date of June 30, 2004, was established such that the end date would coincide with the termination date of the other two (2) waste contracts; i.e., the transfer station operations and the hauling and disposal contracts. This will provide the County greater flexibility in dealing with future contracts, which could reduce overall costs. A Request for Proposal (RFP) was used in this case rather than a bid because quality of service offered could be weighed against price proposed, and price becomes one factor to be considered, but not necessarily the determining factor.

Both Waste Management, Incorporated, (WM) and BFI Waste Systems of North America, Incorporated, (BFI) responded to the RFP and were interviewed by a panel consisting of the following individuals:

John T. Dunn, Director, Environmental and Development Services
Lynn Shematek, Waste Management Manager
Tom Sawyer, Purchasing Agent
Diane Fulton, Public Information
Frank Hedsbeth, VPPSA

Both companies submitted cost proposals which were significantly below current costs. This was not unexpected due to the manner in which the original program was adjusted by the Board after the contract was signed seven years ago, and the choice at that time was to use a fixed-price escalator rather than an inflation-indexed one. WM's cost proposal was lower than BFI's; but after interviewing both, it was clear that WM had not carefully prepared the submittal and was not proposing the same level of customer service support. The potential cost to the County of staff time under each of the proposals was

also considered. It was the opinion of the committee that the unit prices in the WM proposal did not offer sufficient assurances that service expectations would be met. It was the unanimous decision of the committee that BFI was the preferred proposer.

Even though staff considered BFI's to be the superior proposal, because of the significant disparity in cost that appeared to be the result of WM not addressing requirements in the RFP, staff gave WM a listing of these issues and asked them to resubmit prices that reflected the cost of meeting specifics as outlined in the RFP. In their submittal WM revised their proposal and addressed three of the staff concerns. WM's proposed prices ended up being about 4 percent lower than BFI's; however, WM did not address two major issues which staff feels are important in continuing the high level of customer service that has been provided since 1993. Those issues are the location of the office which will be providing customer service response and sufficient staffing necessary to service a growing customer base. Staff does not believe WM sufficiently addressed important customer service concerns and does not feel the small difference in price outweighs those service concerns. Based on the above, staff recommends that the contract be awarded to BFI.

Negotiations with BFI resulted in the following unit costs and services:

<u>Service Type</u>	<u>Monthly Cost Per Household</u> <u>Effective March 1, 2000</u>
Basic Service:	\$5.78
Back Yard Collection (non-handicap)	\$8.67
Long Driveway Collection	\$11.56
Extra Toter	\$4.00

These fixed fees shall be adjusted annually at the beginning of the second year and each subsequent contract year during the term of the Agreement in an amount equal to any increase or decrease in the U.S. Department of Labor Price Index for all Urban Consumers, South Area Class "C" Transportation for the twelve (12) month period prior to the date of the adjustment. No annual increase under this provision shall exceed six percent (6%).

The Basic Service includes the weekly pickup of a County-supplied toter and a total of six bags or tied bundles of either or both solid waste and yard wastes. The Basic Service also provides for the backyard service without additional costs for up to three (3) percent of the service subscribers, which are determined by the County to be eligible for said service at no cost to the County. The Community Services Department will review and approve each request for such service on the basis of medical reasons or advanced age, which render the homeowner unable to move the toter to the roadside.

Included for all levels of service is a Bulky Item collection that provides subscribers the ability to have three pickups per year of two items such as stoves and refrigerators, and an annual Christmas tree pickup the first full week after New Year's Day.

Paid backyard collection, long driveway and extra toters will be charged to the County as indicated above.

BFI will purchase hot printed toters as needed to maintain a minimum stock and will store, deliver and recover toters as directed by the Waste Management Division. BFI will obtain quotes from the top three (3) ranking proposers offering to supply toters under a County issued RFP. The County will then use the price quotes to select a specific vendor for the life of the contract on the basis of expected life, warranties offered and unit price. Upon receipt of a new shipment of toters, BFI will bill the County with no mark-up.

BFI has also agreed to use the new rates in their billings for the last four months of the present contract (November, 1999, through February, 2000). This concession results in a one-time cost savings to the County of over \$90,000. In addition, BFI will hire the additional support personnel as soon as the Board approves the attached contract and not wait until the new contract is effective on March 1, 2000. It should also be noted that BFI maintains an office and shop in the County.

Based on an analysis of this proposed contract by Financial Management Services and Environmental and Development Services, it is staff's recommendation that the cost for basic service be reduced from the present level of \$13.00 per month to \$12.75 per month effective July 1, 2000; and, barring any significant upward change in the Price Index, this rate can be held constant until June 30, 2004. The \$13.00 rate presently charged was designed to be held constant until 2002.

Based on the above, it is recommended that the Board approve proposed Resolution R99-212 which will authorize the execution of the attached contract with BFI.

Dunn/3755:mw

Attachments